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Bimetallism

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Bimetallism

SPEECH

OF

HON. A. M. DOCKERY,

OF MISSOURI,

IN THE HOUSE OF REPRESENTATIVES,

Friday, August 25, 1893.

The House having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. DOCKERY said:

Mr. SPEAKER: For the twelfth time in the history of the Republic, Congress is convened in extraordinary session. The President in his message has adverted to the alarming gravity of the business situation. The untoward depression which first made its appearance some months since has enlarged its scope until it has embraced within its grasp agriculture, commerce, manufactures—indeed, all the varied interests of this great country. Confidence is utterly overthrown. Banking institutions of great stability are suspending, capital, timid and hesitating, has gone into retirement: manufactories are closing down or running upon half time, railroads reducing the compensation of their employés, and thousands of laboring men out of employment tramping the country.

Confronted with this startling condition, the people's representatives have been called together, to quote the language of the Executive, "that present evils may be mitigated and dangers threatening the future may be averted." The President expresses the opinion that these adverse business conditions are "principally chargeable to Congressional legislation touching the purchase and coinage of silver by the Government," as authorized and directed by the act of July 14, 1890, commonly known as the Sherman act.

The situation is so alarming that it should invoke dispassionate, intelligent, and patriotic consideration, with the view of determining the causes which have contributed to the stupendous decline in values and the consequent widespread industrial par-

alysis. The causes of the trouble must first be definitely ascertained before there can be an intelligent selection and application of a remedy. Inasmuch as the President suggests that the pernicious features of the Sherman law are mainly responsible for the economic ailments which afflict us, it may be well to give a brief summary of the coinage legislation of the United States.

COINAGE LAWS.

The act of April 2, 1792, established a mint for the purpose of national coinage, and made the standard silver dollar the unit of value. It gave free coinage to both gold and silver, the gold dollar containing 24.748 grains of pure gold or 27 grains of standard gold, and the silver dollar 371.25 grains of pure silver or 416 grains of standard silver. The act further provided that the relative value of gold and silver in the coinage of the two metals should be as 15 to 1; that is to say, "every 15 pounds weight of pure silver shall be of equal value in all payments with 1 pound weight of pure gold, and so in proportion as to any greater or less quantities of the respective metals."

Under this act silver was first coined in 1794 and gold in 1795. The ratio between the two metals established by the acts of 1792 proved to be unsatisfactory, an ounce of gold being in fact more valuable than its equivalent in silver. The result was that gold was purchased by speculators and shipped abroad, there being a profit of a few cents on the dollar. The inequality of the ratio was further emphasized by the fact that the Government received for a time underweight foreign coins in payment of custom dues. Silver, therefore, constituted the greater part of our metallic circulating medium until the second administration of President Jackson, when, by the act of June 28, 1834, the grains in the gold dollar were reduced from 24.748 to 23.20, the ratio thus being changed from 15 to 1 to 16.002 to 1.

The act of January 18, 1837, provided that both the gold and silver dollar should be 900 parts fine and 100 parts alloy, and increased the grains of pure gold in the gold dollar from 23.20 to 23.22, or 25.8 standard gold—the silver dollar containing 371.25 grains of pure silver, or 412½ grains of standard silver. The coinage ratio between gold and silver is thus fixed by this act at 1 to 15.988, or in round numbers 16 to 1. This ratio has been maintained until the present time. During the greater part of the period from 1834 to 1860 gold constituted the larger part of our metallic circulation because France was coining at the ratio of 15½ to 1, our ratio being 16 to 1, and for the further reason, subsequent to 1849, of the immense output of the California gold mines.

I may also state in this connection that the amount of pure silver in the standard silver dollar authorized by the act of April 2, 1792, has not been changed by any subsequent legislation, but, because of the enhanced value of silver as compared with gold, the act of February 21, 1853, reduced the weight of the silver coins of less denominations than a dollar; the weight of the half-dollar being fixed at 192 grains of standard silver, and the smaller coins sharing a proportional reduction.

This legislation was made necessary in order to prevent the further exportation of our subsidiary coin, and thus to furnish

the people with small change for the transaction of business. The act also limited the legal-tender quality of subsidiary coin to $5.

The coinage act of February 12, 1873, demonetized the standard silver dollar by discontinuing its coinage and establishing the gold dollar as the unit of value. It also slightly increased the weight of the subsidiary coins in order to put them upon an equal footing with the minor coins of France.

This law was the initial step of the hostile movement to silver in this country, and was obnoxious to the great body of the American people. This fact, together with the stealthy manner of its enactment, provoked a storm of opposition, which finally culminated in a partial remonetization of silver by the passage, over the veto of President Hayes, of the act of February 28, 1878, known as the Bland-Allison act. This bill directed, among other things, that the Secretary of the Treasury "purchase from time to time silver bullion at the market price thereof, not less than $2,000,000 worth per month, nor more than $4,000,000 worth per month, and cause the same to be coined monthly as fast as so purchased" into standard silver dollars.

The Bland-Allison act remained upon the statute book until the Fifty-first Congress, when it was repealed by the Sherman law of July 14, 1890. This latter statute was enacted as a result of a conference between the Senate and the House, the vote in the Senate being yeas 39, nays 26, and in the House yeas 122, and nays 90. The Republican party gave the measure a united support, whilst the entire Democratic strength in both bodies was recorded against it. In so far, then, as legislation is responsible for our financial condition, the Democratic party is acquitted of responsibility.

In view of the importance of the issue raised by the President's message, I quote the exact terms of the act, so far as it relates to the pending question:

SHERMAN ACT.

An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes.

Be it enacted, etc., That the Secretary of the Treasury is hereby directed to purchase, from time to time, silver bullion to the aggregate amount of 4,500,000 ounces, or so much thereof as may be offered in each month, at the market price thereof, not exceeding $1 for 371.25 grains of pure silver, and to issue in payment for such purchases of silver bullion Treasury notes of the Uuited States to be prepared by the Secretary of the Treasury, in such form and of such denominations, not less than $1 nor more thau $1,000, as he may prescribe, and a sum sufficient to carry iuto effect the provisious of this act is hereby appropriated out of any money in the Treasury not otherwise appropriated.

SEC. 2. That the Treasury notes issued in accordance with the provisions of this act shall be redeemable on demand, in coin, at the Treasury of the United States, or at the office of any assistant treasurer of the United States, and when so redeemed may be reissued; but no greater or less amount of such notes shall be outstanding at any time than the cost of the silver bullion and the standard silver dollars coined therefrom, then held in the Treasury, purchased by such notes; and such Treasury notes shall be a legal tender in payment of all debts, public and private, except where otherwise expressly stipulated in the contract, and shall be receivable for customs, taxes, and all public dues, and when so received may be reissued; and such notes, when held by any national banking association, may be counted as a part of its lawful reserve. That upon demand of the holder of any of the Treasury notes herein provided for the Secretary of the Treasury shall, under such regulations as he may prescribe, redeem such notes in gold or silver coin, at his discretion, it being the established

policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio, or such ratio as may be provided by law.

SEC. 3. That the Secretary of the Treasury shall each month coin 2,000,000 ounces of the silver bullion purchased under the provisions of this act into standard silver dollars until the 1st day of July, 1891, and after that time he shall coin of the silver bullion purchased under the provisions of this act as much as may be necessary to provide for the redemption of the Treasury notes herein provided for, and any gain or seigniorage arising from such coinage shall be accounted for and paid into the Treasury.

SEC. 4. That the silver bullion purchased under the provisions of this act shall be subject to the requirements of existing law and the regulations of the mint service governing the methods of determining the amount of pure silver contained, and the amount of charges or deductions, if any, to be made.

SEC. 5. That so much of the act of February 28, 1878, entitled "An act to anthorize the coinage of the standard silver dollar and to restore its legal-tender character," as requires the monthly purchase and coinage of the same into silver dollars of not less than $2,000,000, nor more than $4,000,000 worth of silver bullion is hereby repealed.

Mr. Speaker, this measure, in letter and spirit, is antagonistic to the real interests of silver, because it degrades it to the inferior dignity of a mere commodity, thus recognizing for the first time in our fiscal legislation, the vicious principle involved in what is known as the "subtreasury" scheme. The measure was a compromise born of the political exigencies of the Republican party, and accomplished the twofold purpose of preventing the enactment of a free-coinage law whilst at the same time relieving the then President, Mr. Harrison (a candidate for renomination), from disastrous political complications which it was apprehended would, in certain Western States, follow the veto of a free-coinage bill.

Mr. Speaker, it is hardly gallant or courageous to designate the Sherman law as the most vicious and sinister financial legislation enacted during our constitutional history, since it is now disowned and denounced by its reputed author and is without an advocate in the commercial world or a champion in any political party. Professedly enacted for the purpose of furnishing a market for American silver and enhancing its value, under its operations silver has steadily declined; professedly friendly to silver, it debases it as a money metal. The Sherman law was therefore properly characterized by the national Democratic platform as a "cowardly makeshift, fraught with possibilities of danger in the future, which should make all its supporters as well as its author anxious for its speedy repeal."

COINAGE OF THE UNITED STATES.

But before proceeding, Mr. Speaker, to a further brief reference to the existing situation, it may be well to note the coinage which has been had under the several acts to which I have referred. The United States has now four coinage mints, located at Philadelphia, San Francisco, New Orleans, and Carson, Nev. The coinage of silver dollars from the organization of the first coinage mint at Philadelphia until the suspension by the act of February 12, 1873, was $8,031,238, the total subsidiary coinage for the same period being $137,096,047.

Of the standard silver dollars coined during this period, $3,584,198, or about 45 per cent of the whole, were coined in the five years prior to the demonetization of silver, the coinage being in 1868, $182,700; 1869, $424,300; 1870, $445,462; 1871, $1,117,136;

1872, $1,118,600, and in 1873, $296,000 up to the 12th of February. It is proper, however, to state in this connection that the Mexican dollar, containing 377.17 grains of pure silver, as well as the dollars of Peru, Chili, and Central America, the 5-franc piece of France, and other foreign coins were a legal tender in the United States at their face value during a greater part of the period prior to the passage in 1873 of the act demonetizing silver.

The coinage of silver dollars under the Bland act amounted to $378,166,793 and under the Sherman act to $36,087,185; whilst $5,078,472 have been coined under the act of March 3, 1891, providing for the redemption and coinage of trade-dollar bullion. The subsidiary coinage since the act of Febuary 12, 1873, aggregates $69,503,655. The statement of the Secretary of the Treasury issued upon the 1st of the present month shows that the standard silver dollars outstanding at that date amounted to $419,332,450 and the subsidiary silver coinage to $76,563,878, or a total silver coinage of $495,896,328. In addition to this the records of the Treasury Department show that under the act of July 14, 1890, 161,521,000 ounces of silver have been purchased up to August 16 last, costing $150,669,459, for which Treasury notes of the same amount have been issued payable in coin.

The total gold and gold bullion in the United States on the 1st of the present month is estimated by the Director of the Mint at $603,723,903. The Director also estimates the amount of silver, including silver dollars, subsidiary silver coins and silver bullion at cost value, in the United States at the same time, at $615,174,063. He further states that the production of gold in the world in 1892 was of the value of $130,816,600, the production of silver for the same period being 152,061,800 fine ounces, of the coining value of $196,605,200. He also estimates the annual average production of gold and silver in the world from 1844 to 1850 to be, gold, $36,216,428, and silver, $34.214,286, whilst the average annual production since that time has been, gold, $112,887.428 and silver $80,374,857.

CAUSES OF THE PANIC.

Now, Mr. Speaker, leaving the domain of statistics I shall advert very briefly to the causes which have intimidated capital, paralyzed industry, lowered the price of farm products, and wrought havoc in the commercial world. It will not be denied that the Sherman law is at war with all principles of sound finance and has operated to enhance the value of gold and decrease the value of silver. The original construction placed upon the law by the last Administration, whilst technically correct, refused silver a place in our circulating medium upon an equal footing with gold. It is true that the Secretary of the Treasury is allowed to coin a sufficient amount of silver bullion for redemption purposes, but under the practice of the Treasury Department the notes issued in payment of the silver bullion are redeemable on demand in gold.

The effect of the law, therefore, in its practical administration, is to issue Treasury notes payable in gold for silver bullion. In other words, the Sherman law has added, up to August 16, $150,669,459 to the volume of paper currency, all of which is payable on demand in gold. I am not surprised, therefore, that under this construction gold should constitute a very small part

of the volume of money which finds its way into the Federal Treasury. The able gentleman from Tennessee [Mr. PATTERSON], commenting upon the decreasing volume of gold in the Treasury, says:

In June, 1888, the Government collected from customs at the port of New York $10,996,484. 74 per cent of which was paid in gold. In June, 1889, it received $10,697,716, of which 74.7 per cent was paid in gold. In June, 1890, the Government received $14,992,128, of which 94.50 per cent was in gold. In June, 1891, it received $9,131,418, of which only 12.50 per cent was in gold. In June, 1892, it received $9,591,270, of which only 8.2 per cent was in gold. In 1893, in the month of June, the Government collected at the port of New York $18,068,530. Not one cent of it was paid in gold.

Mr. Speaker, the gold in the Treasury has not only been thus decreased by the operation of the Sherman law, but the adverse balance of foreign trade under the McKinley tariff law has made large drafts upon our gold resources. The exports of gold for the fiscal year ending June 30, 1893, exceeded the imports for the same period by about $87,500,000. These two causes, associated with the necessities of Austria-Hungary for gold to inaugurate and maintain a gold standard, together with the general depression which has encircled the globe since the failure of the Baring Brothers, have necessarily reduced the gold in the public Treasury very largely. With the steady decline of the Treasury gold balance, the apprehensions of the people began to grow more pronounced. It seemed to be an impression in the public mind that the $100,000,000 gold reserve had been provided by law, and should remain intact for the redemption of greenbacks.

It is true the law did not require the fund to be maintained at this amount, but nevertheless such an impression was prevalent among the people. When, therefore, in April last, this fund was invaded, Wall street speculators sought to coerce the Government into an issue of bonds to restore and increase the gold-reserve fund. The alarm occasioned by their demands intimidated the country, confidence began to be impaired, timid depositors withdrew their money from banks, and thus a panic without parallel or precedent in this country was inaugurated.

REMEDIAL LEGISLATION.

Confronted with this situation, Congress is convened for the purpose of providing remedial legislation which shall restore confidence and set the wheels of commerce again in motion.

The distinguished gentleman from West Virginia [Mr. WILSON], upon the 11th of the present month, offered the following bill:

An act to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes."

Be it enacted, etc., That so much of the act approved July 14, 1890, entitled "An act directing the purchase of silver bullion and issue of Treasury notes thereon, and for other purposes," as directs the Secretary of the Treasury to purchase from time to time silver bullion to the aggregate amount of 4,500,000 ounces, or so much thereof as may be offered in each month, at the market price thereof, not exceeding $1 for 371.25 grains of pure silver, and to issue in payment for such purchases Treasury notes of the United States, be, and the same is hereby, repealed; but this repeal shall not impair or in any manner affect the legal-tender quality of the standard silver dollars heretofore coined; and the faith and credit of the United States are hereby pledged to maintain the parity of the standard gold and silver coins of the United States at the present legal ratio, or such other ratio as may be established by law.

This bill, Mr. Speaker, as will be noted from a cursory glance, provides simply for the unconditional repeal of the purchasing clause of the Sherman act, and pledges the faith of the United States to maintain the parity of the gold and silver coins outstanding.

My colleague from Missouri [Mr. BLAND] offered the following resolutions, which provide the method by which the Wilson bill should be considered, and also for a vote upon certain substitutes therefor. The order is in these terms:

Mr. BLAND. Mr. Speaker, I desire to present to the House an order embodying an agreement as to the mode in which proceedings shall be had in the consideration of the bill just offered, on which order I shall demand the previous question, with the statement——

The SPEAKER. The Chair will state the question. The gentleman from West Virginia [Mr. WILSON] offers a bill in the absence of any rules of the House, and the gentleman from Missouri [Mr. BLAND] offers a resolution providing for the method in which the House shall consider that bill. The Clerk will report the resolution of the gentleman from Missouri.

The resolutiou was read, as follows:

"*Ordered by the House*, That H. R. No. 1 shall be taken up for immediate consideration and considered for fourteen days. During such cousideration night sessions may be held, for debate only, at the request of either side. The daily sessions to commeuce at 11 a. m. and continue until 5 p. m. Eleven days of the debate on the bill to be given to general debate under the rules of the last House regulating general debate, the time to be equally divided between the two sides as the Speaker may determine. The last three days of the debate may be devoted to the consideration of the bill and the amendments herein provided for, under the usual five-minute rule of the House, as iu Committee of the Whole House. General leave to print is hereby granted.

"Order of amendments: The vote shall be taken first on an amendment providing for the free coinage of silver at the present ratio. If that fails, then a separate vote to be had on a similar amendment proposing a ratio of 17 to 1; if that falls, on one proposing a ratio of 18 to 1; if that fails, on one proposing a ratio of 19 to 1; if that fails, on one proposing a ratio of 20 to 1. If the above amendments fail, it shall be in order to offer an amendment reviving the act of the 28th of February, 1878, restoring the staudard silver dollar, commonly known as the Bland-Allison act; the vote then to be taken on the engrossment and third reading of the bill as amended, or on the bill itself if all amendments shall have been voted down, and on the final passage of the bill without other intervening motions."

It may be well to state in this connection that the Director of the Mint has submitted a statement to the House showing the number of grains of standard silver in the dollar at the ratios referred to in the foregoing order, as follows: 17 to 1, 438.60; 18 to 1, 464.40; 19 to 1, 490.20, and 20 to 1, 516.

Now, Mr. Speaker, as I have just stated, the Wilson bill provides for the unconditional repeal of the purchasing clause of the Sherman act. The propositions to be submitted by my colleague provide for the free coinage of silver upon ratios ranging from 16 to 1 up to 20 to 1. In the event of the failure of each and all of them, then the Bland-Allison act is to be offered as a substitute. In other words, the Wilson bill repeals the purchasing clause of the Sherman law without any substitute, whilst the propositions to be offered by my colleague also repeal the purchasing clause of the Sherman law, but with conditions authorizing the free coinage of silver upon one of several ratios, or the coinage of silver upon the terms of the Bland-Allison act.

BATTLE OF THE STANDARDS.

Mr. Speaker, the issue is thus clearly joined. The unconditional repeal of the Sherman act leaves silver for the future

without any statutory recognition whatever, gold still being allowed free coinage privileges at the mint. This action unquestionably contemplates a single gold standard. If there were any doubts, they have been put beyond cavil in this debate by the declaration of leading advocates of the Wilson bill that it was impracticable to execute the provisions of the last national Democratic platform demanding the coinage of both gold and silver without discrimination.

This is a battle of the standards, a contest between a single gold standard on the one hand and a double standard on the other. There is no division of sentiment in the Democratic ranks as to the propriety of repealing the purchasing clause of the Sherman act, but a majority of the Democratic Representatives on this floor insist that the entire pledge made to the people should be kept, both as to the repeal of the Sherman law and the enactment of such legislation as will admit gold and silver to our mints upon equal terms. Our contention is that the platform in its entirety should be maintained, and that we should not defer to a more convenient season the obligations of the present hour. I quote the language of the vows made at Chicago in 1892:

> We denounce the Republican legislation known as the Sherman act of 1890 as a cowardly makeshift, fraught with possibilities of danger in the future which should make all of its supporters, as well as its author, anxious for its speedy repeal. We hold to the use of both gold and silver as the standard money of the country, and to the coinage of both gold and silver without discriminating against either metal or charge for mintage, but the dollar unit of coinage of both metals must be of equal intrinsic and exchangeable value or be adjusted through international agreement or by such safeguards of legislation as shall insure the maintenance of the parity of the two metals, and the equal power of every dollar at all times in the mark ts and in the payment of debts; and we demand that all paper currency shall be kept at par with and redeemable in such coin. We insist upon this policy as especially necessary for the protection of farmers and laboring classes, the first and most defenseless victims of unstable money and a fluctuatiug currency.

Mr. Speaker, the language of the platform clearly, rightfully, and unequivocally commits the Democratic party to the advocacy of a double standard. This doctrine is fundamental and of paramount importance, inasmuch as money performs the twofold duty of measuring values and exchanging values. It is a medium of exchange and a measure of value. When, therefore, the currency of the country is sound and stable and the volume of money is maintained at a normal standard, prices rule satisfactory; but whenever legislation or any other cause limits the money supply it necessarily operates to decrease the price of commodities. In other words, it is important that the money selected to fix values and to exchange values should be stable, and of sufficient volume; else the standard will appreciate, prices of commodities and property of all kinds will depreciate, and injustice will be done the debtor classes. It is alike and equally important, Mr. Speaker, that the money selected should not be depreciated or redundant: else the cheapening of the standard will increase the prices of commodities and property, and work injustice to the creditor classes. We must avoid the extremes of contraction on the one hand and inflation on the other—the extremes of appreciation and depreciation.

Mr. Speaker, since the very twilight of history gold and silver have been recogni ed as money metals. Now, then, the practical question which confronts us to-day and which this

Congress must solve, is this: What standard will best reconcile the conflicting interests of the debtor and creditor classes, preserve the golden mean, and thus give the country a stable circulating medium, of ample volume to meet the demands of trade and commerce?

The eloquent gentleman from Nebraska [Mr. BRYAN], in his able argument submitted to this body a few days since, said:

> The Government does not try to fix the purchasing power of the dollar, either gold or silver. It simply says, in the language of Thomas Jefferson, that 'the money uuit shall stand upon the two metals,' and then allows the exchange value of that unit to rise or fall according as the total product of both metals decreases or increases in proportion to the demaud for money.

Commenting further upon the same line of thought, he says:

> Gold and silver are called precious metals because the production is limited and can not be increased indefinitely at will. If this Government or a number of governments can offer a market unlimited as compared with the supply, it can maintain the bullion value of gold and silver at the legal ratio. The moment one metal tends to cheapen, the use falls on it and increases its price, while the decreased demand for the dearer metal retards its rise and thus the bullion values are kept near to the legal ratio, so near that the variation can cause far less inconvenieuce and injustice than the variation in the exchangeable value of the unit would inflict under a single standard. The option is always given to the debtor in a double standard.
>
> In fact, the system could not exist if the option remained with the creditor, for he would demand the dearer metal and thus increase any fluctuation in bullion values, while the option in the hands of the debtor reduces the fluctuation to the minimum. That the unit under a double standard is more stable in its relation to all other things is admitted by Jevons and proven by several illustrations. Mr. Giffen tries to avoid the force of the admission by saying that the difference in favor of the double standard is only in the proportion of 2 to 1, and therefore not sufficient to justify its adoption. It would seem that where stability is so important—and it never was so important as to-day, when so many long-time contracts are executed—even a slight difference in favor of the double standard ought to make it acceptable.

EFFECTS OF A SINGLE STANDARD.

Mr. Speaker, a single gold standard increases the demand for gold because it imposes a double duty upon gold as a money metal. The increased demand therefor enhances its value, as is shown by the result of the action of foreign countries in demonetizing silver. If, then, the United States, by the legislation now pending, shall devolve upon gold alone the sole duty of measuring and exchanging values, it will necessarily still further appreciate its value by increasing the demand for it.

The result logically follows that the United States and other single gold standard countries will be ceaselessly engaged in the effort to increase their gold reserves in order to maintain a gold standard, and thus disasters will multiply and follow in the wake of the unconditional repeal of the purchasing clause of the Sherman act. If the annual production of gold was ample to meet the requirements of a single gold standard, its adoption would not, of course, be followed by industrial disaster; but the annual supply of gold is utterly inadequate to meet the wants of the civilized governments of the world as a money metal.

The average annual production of gold since 1851 has been only $112,887,428, of which amount two-thirds has been used in the arts, leaving but one-third to be added to the volume of gold money. The conclusion must, therefore, be reached that the adoption of a single gold standard by the United States will result in a lower wage for labor, the depreciation of farm values, farm products,

and property of nearly all kinds, even if our population should remain as at present and there were no expansion in the volume of trade and commerce.

That industrial disturbances would follow the adoption of such a policy becomes more apparent when it is remembered that the average annual increase of our population ranges from 1,000,000 to 1,500,000, and that the enterprise and tireless energy of our people are constantly exploring and discovering new fields for the investment of capital and the employment of labor. The addition to the volume of our circulating medium under the provisions of the Sherman law has been $150,669,459, or about $50,000,000 annually, being less than $1 per capita; and yet it is proposed by the Wilson bill to strike down the law authorizing this annual increase without offering any substitute therefor.

This proposition evidently rests upon the theory that silver is constantly depreciating in value, but it wholly disregards the rugged fact that, during the panic through which we are passing, silver dollars have commanded a premium in the city of New York. It will not be denied that silver has declined in value, or rather that gold has appreciated in value, thus making the disparity between the two metals pronounced.

The overproduction of silver is the explanation most frequently offered for the relative decline of silver as compared with gold. I append to my remarks an exhibit prepared by the Director of the Mint, showing the production of gold and silver in the world since the discovery of America, from which it appears that while silver in recent years has outstripped gold in the volume of production, yet the same inequality in the production of the two metals has heretofore obtained without disturbing the harmonious relations which existed between them as money metals.

Senator VEST, commenting upon this table in its relation to overproduction, says:

> This table shows that the two precious metals have fluctuated, as they necessarily must, in all ages of the world; first silver being produced in excess of gold and then gold in excess of silver. How is it possible that it could be otherwise? What intelligent man for a moment could advance the idea that two metals dependent upon the quantity discovered in the bowels of the earth should be mathematically or logically equal at all times in quantity or ratio?
>
> For many years, as shown by this table, gold was produced in the most insignificant amounts, while silver was produced twenty, thirty, and thirty-two times in excess annually of the production of gold; yet the price of silver was not affected and it maintained its place as a money metal.
>
> In order to show that my statement is absolutely correct, I have taken the trouble to make a calculation, based upon the Soetbeer table. From 1833 to 1840 there was produced thirty-two times as much silver as gold in the world; from 1841 to 1850, fifteen times as much; from 1851 to 1855, five times as much; from 1855 to 1860, four times as much; from 1861 to 1865, six times as much; from 1866 to 1871, three times as much; from 1871 to 1875, twelve times as much; from 1876 to 1880, sixteen times as much; from 1881 to 1885, twenty times as much; and from 1886 to 1892, from eighteen to twenty-five times as much.
>
> Now, I assert that these tables show, if they are worth the paper upon which they are printed, that the relative proportion of silver to gold has never been as great as it was in the eras I have named here, from 1833 to 1844 and from 1844 to 1850.
>
> We hear upon every side the assertion that the production of silver which amounted to $74,000,000, according to the report of the Director of the Mint, in 1892 in the United States has caused its decline. There were $33,000,000 of gold produced in this country for 1892, the production of silver being about

> 2 to 1, and it is said that this accounts for the attack upon silver as a money metal and the attempt now to destroy it throughout the world. From 1832 to 1840, thirty-two times as much of silver was produced as of gold. If it be a logical proposition that the overproduction now has destroyed silver, why was it then not blotted out from the face of the earth as a medium of exchange and of standard value?
>
> I call the attention of the Senate to the price of silver, which it is said is affected by overproduction. From 1833 to 1840, when there was thirty-two times as much silver as gold produced in the world, silver was worth in this country $1.29 and $1.32 an ounce. From 1841 to 1850, when there was fifteen times as much silver as gold produced, silver was still worth $1.29 to $1.31 an ounce. I quote from the report of the Director of the Mint. From 1851 to 1853, when there were five times as much silver produced as gold, silver sold in the United States from $1.32 to $1.35 an ounce, being an increase of from 3 to 5 cents on the ounce. From 1855 to 1860, when there were four times as much produced, it sold from $1.34 to $1.36 an ounce.
>
> The decrease in the production of silver, as it would appear from this table, was not really a decrease in the mining production, but there was a vast increase from 1850 to 1855 in the production of gold on account of its discovery in California and Australia and the reworking of the mines in Siberia. It is absolutely impossible under the rules of logic, if our friends be correct, that overproduction is the cause of the present condition of silver, that this enormous overproduction should have existed in the eras I have named and yet not have brought about the same result.

Now, Mr. Speaker, it will be conceded that the two metals upon the basis of commercial value have parted company to a marked degree, the silver in the standard silver dollar being worth only about 57 cents as compared with the value of the gold dollar. The explanation, however, is found almost solely in the fact that certain foreign governments have within recent years discriminated against silver by suspending its coinage. The coinage of full legal-tender silver was suspended by Portugal in 1854, by Germany in 1871, by the Scandinavian Union in 1873, by the Netherlands in 1877, by Finland in 1877, by Austria-Hungary in 1892, by Russia in 1878, by Spain (on private account) in 1878, by India (on private account) in 1893, and by the Latin Union, consisting of the governments of France, Italy, Switzerland, Belgium, and Greece, in 1878. This unfriendly legislation is the explanation for the constantly widening commercial chasm between gold and silver.

CONCLUSION.

Mr. Speaker, we are confronted with this situation: Shall the United States adopt the Wilson bill, which contemplates a single gold standard, and continue its efforts to secure an international agreement, or shall we redeem the pledges of the Chicago platform and endeavor to maintain, single-handed and alone, a double standard?

Mr. Speaker, it seems to be trifling with the interests of a great people to make any further effort at this time in the direction of an international agreement. So long as England maintains her commercial prestige, she will not consent to abandon the gold standard adopted in 1816, and the United States finds itself handicapped in this contest by the mistaken tariff policy of the last thirty years which has permitted England to dominate and control the commerce of the world. So long as the commerce of all nations passes through her clearing-house, just so long will England insist upon the maintenance of a single gold standard, because she is a creditor nation.

It is a matter of profound regret, therefore, that in this great contest between the standards, the United States is shorn of the

influence among the nations of the earth to which she would be entitled under a policy which shall reëstablish her old-time commercial prowess. Hence an international agreement at this time is wholly improbable. What then? I appeal to the Representatives on this floor, especially to those on this side of the Chamber from the West and South, to ponder well their answer to that query before they respond to the roll call on the pending question on Monday next. I know not what others may do; but my action shall be in harmony with the pledges made by the party at Chicago, not only to repeal the Sherman law, but also to provide for the coinage of both gold and silver without discriminating against either metal. [Applause.] The constituency I have the honor to represent have no fixed incomes arising from bonds, or other securities of that class, which would be appreciated by a single gold standard, and they demand the redemption of those pledges which command us to bear aloft upon equal terms the banners of both gold and silver.

I know, Mr. Speaker, that the pathway which leads to independent national bimetallism in this country is not strewn with flowers. It is scarcely enlightened by precedent or experience. There is nothing in our fiscal history like the present moment. Heretofore we have had, to some extent at least, the coöperation of foreign countries in the effort to maintain a double standard. But now almost every great commercial nation of the world is in arms against silver, and its last refuge is to be found alone in the United States. [Applause.] I believe, sir, that the enterprise, the energy, business sagacity, and genius of the American people, sustained as they are by the almost illimitable natural resources of the Republic will yet achieve a triumph for the double standard—the gold and silver money of the Constitution. [Applause.] The unconditional repeal of the Sherman act means the unconditional surrender of silver. Voicing, as I believe, the almost unanimous sentiment of my people, without regard to party, I shall vote to restore silver to its ancient honor and dignity. [Applause.]

APPENDIX.

Monetary systems and approximate stocks of money in the aggregate and per capita in the principal countries of the world.

Countries.	Monetary system.	Ratio between gold and full legal-tender silver.	Ratio between gold and limited tender silver.	Population.	Stock of gold.	Stock of silver.			Uncovered paper.	Per capita.			
						Full tender.	Limited tender.	Total.		Gold.	Silver.	Paper.	Total.
United States	Gold and silver	1 to 15.98	1 to 14.95	67,000,000	$604,000,000	$538,000,000	$77,000,000	$615,000,000	$412,000,000	$9.01	$9.18	$6.15	$24.34
United Kingdom	Gold		1 to 14.28	38,000,000	550,000,000		100,000,000	100,000,000	50,000,000	14.47	2.63	1.32	18.42
France	Gold and silver	1 to 15½	1 to 14.38	39,000,000	800,000,000	650,000,000	50,000,000	700,000,000	81,402,000	20.53	17.95	2.09	40.56
Germany	Gold		1 to 13.957	49,500,000	600,000,000	103,000,000	108,000,000	211,000,000	107,000,000	12.12	4.26	2.16	18.54
Belgium	Gold and silver	1 to 15½	1 to 14.38	6,100,000	65,000,000	48,400,000	6,600,000	55,000,000	54,000,000	10.66	9.02	8.85	25.53
Italy	do	1 to 15½	1 to 14.38	31,000,000	93,605,000	16,000,000	34,200,000	50,200,000	163,471,000	3.01	1.62	5.27	9.91
Switzerland	do	1 to 15½	1 to 14.38	3,000,000	15,000,000	11,400,000	8,600,000	15,000,000	14,000,000	5.00	5.00	4.67	14.67
Greece	do	1 to 15½	1 to 14.38	2,200,000	2,000,000	1,800,000	2,200,000	4,000,000	14,000,000	.91	1.82	6.36	9.09
Spain	do	1 to 15½	1 to 14.38	18,000,000	40,000,000	120,000,000	38,000,000	158,000,000	100,000,000	2.22	8.78	5.56	16.56
Portugal	Gold		1 to 14.08	5,000,000	40,000,000		10,000,000	10,000,000	45,000,000	8.00	2.00	9.00	19.00
Austria-Hungary	do		1 to 13.69	40,000,000	40,000,000	90,000,000		90,000,000	260,000,000	1.00	2.25	6.50	9.75
Netherlands	Gold and silver	1 to 15½	1 to 15	4,500,000	25,000,000	61,800,000	3,200,000	65,000,000	40,000,000	5.55	14.42	8.89	28.88
Scandinavian Union	Gold		1 to 14.88	8,600,000	32,000,000		10,000,000	10,000,000	27,000,000	8.72	1.16	3.14	8.02
Russia	Silver	1 to 15½	1 to 15	113,000,000	250,000,000	22,000,000	38,000,000	60,000,000	500,000,000	2.21	.53	4.42	7.16
Turkey	Gold and silver		1 to 15.1	33,000,000	50,000,000		45,000,000	45,000,000		1.52	1.36		2.88
Australia	Gold		1 to 14.28	4,000,000	100,000,000		7,000,000	7,000,000		25.00	1.75		26.75
Egypt	do		1 to 15.68	7,000,000	100,000,000		15,000,000	15,000,000		14.29	2.14		16.43
Mexico	Silver	1 to 16½		11,600,000	5,000,000	50,000,000		50,000,000	2,000,000	.43	4.31	.17	4.91
Central America	do	1 to 15½		3,000,000		500,000		500,000	2,000,000		.17	.67	.84
South America	do	1 to 15½		35,000,000	45,000,000	25,000,000		25,000,000	600,000,000	1.29	.71	17.14	19.14
Japan	Gold and silver	1 to 16.18		40,000,000	90,000,000	50,000,000		50,000,000	56,000,000	2.25	1.25	1.40	4.90
India	Silver	1 to 15		255,000,000		900,000,000		900,000,000	28,000,000		3.53	.11	3.64
China	do			400,000,000		700,000,000		700,000,000			1.75		1.75
The Straits						100,000,000		100,000,000					
Canada	Gold		1 to 14.95	4,500,000	16,000,000		5,000,000	5,000,000	40,000,000	3.56	1.11	8.89	13.56
Cuba, Haiti, etc	do	1 to 15½		2,000,000	20,000,000	1,200,000	800,000	2,000,000	40,000,000	10.00	1.00	20.00	31.00
Total					3,582,605,000	3,469,100,000	553,600,000	4,042,700,000	2,635,873,000				

TREASURY DEPARTMENT, *Bureau of the Mint, August 16, 1893.*

Statement of the production of gold and silver in the world since the discovery of America.

[From 1493 to 1885 is from table of averages for certain periods compiled by Dr. Adolph Soetbeer. For the years 1886-1892 the production is the annual estimate of the Director of the Mint.]

	Gold.				Silver.				Percentage of production.			
	Annual average of period.		Total for the period.		Annual average of period.		Total for the period.		By weight.		By value.	
	Fine ounces.	Value.	Fine ounces.	Value.	Fine ounces.	Coining value.	Fine ounces.	Coining value.	Gold.	Silver.	Gold.	Silver.
1493-1520	186.470	$3,855,000	5,221,160	$107,931,000	1,511,050	$1,951,000	42,309,400	$54,703,000	11.0	89.0	66.4	33.6
1521-1544	230.194	4,759,000	5,524,656	114,205,000	2,899,930	3,749,000	69,598,320	89,986,000	7.4	92.6	55.9	44.1
1545-1560	273,596	5,656,000	4,377,544	90,492,000	10,017,940	12,952,000	160,287,040	207,240,000	2.7	97.3	30.4	69.6
1561-1580	219,906	4,546,000	4,398,120	90,917,000	9,628,925	12,450,000	192,578,500	248,990,000	2.2	97.8	26.7	73.3
1581-1600	237,267	4,905,000	4,745,340	98,095,000	13,467,635	17,413,000	269,352,700	348,254,000	1.7	98.3	22.0	78.0
1601-1620	273,918	5,662,000	5,478,360	113,218,000	13,596,235	17,579,000	271,924,700	351,579,000	2.0	98.0	24.4	75.6
1621-1640	266,845	5,516,000	5,336,900	110,324,000	12,654,240	16,361,000	253,084,800	327,221,000	2.1	97.9	25.2	74.8
1641-1660	281,955	5,828,000	5,639,110	116,571,000	11,776,545	15,226,000	235,530,900	304,525,000	2.3	97.7	27.7	72.3
1661-1680	297,709	6,154,000	5,954,180	123,084,000	10,834,550	14,008,000	216,691,000	280,166,000	2.7	97.3	30.5	69.5
1681-1700	346,095	7,154,000	6,921,895	143,088,000	10,992,085	14,212,000	219,841,700	284,240,000	3.1	96.9	33.5	66.5
1701-1720	412,163	8,520,000	8,243,260	170,403,000	11,432,540	14,781,000	228,650,800	295,629,000	3.5	96.5	36.6	63.4
1721-1740	613,422	12,681,000	12,268,440	253,611,000	13,863,080	17,924,000	277,261,600	358,480,000	4.2	95.8	41.4	58.6
1741-1760	791,211	16,356,000	15,824,230	327,11[illegible],000	17,140,612	22,162,000	342,812,235	443,232,000	4.4	95.6	42.5	57.5
1761-1780	665,666	13,761,000	13,313,315	275,211,000	20,985,591	27,133,000	419,711,820	542,658,000	3.1	96.9	33.7	66.3
1781-1800	571,948	11,823,000	11,438,970	236,464,000	28,261,779	36,540,000	565,235,580	730,810,000	2.0	98.0	24.4	75.6
1801-1810	571,563	11,815,000	5,715,627	118,152,000	28,746,922	37,168,000	287,469,225	371,677,000	1.9	98.1	24.1	75.9
1811-1820	367,957	7,606,000	3,679,568	76,063,000	17,385,755	22,479,000	173,857,555	224,786,000	2.1	97.9	25.3	74.7
1821-1830	457,044	9,448,000	4,570,444	94,479,000	14,807,004	19,144,000	148,070,040	191,444,000	3.0	97.0	33.0	67.0
1831-1840	652,291	13,484,000	6,522,913	134,841,000	19,175,867	24,793,000	191,758,675	247,930,000	3.3	96.7	35.2	64.8
1841-1850	1,760,502	36,393,000	17,605,018	363,928,000	25,090,342	32,440,000	250,903,422	324,400,000	6.6	93.4	52.9	47.1
1851-1855	6,410,324	132,573,000	32,051,621	662,566,000	28,488,597	36,824,000	142,442,986	184,169,000	18.4	81.6	78.3	21.7
1856-1860	6,486,262	134,083,000	32,431,312	670,415,000	29,095,428	37,618,000	145,477,142	188,092,000	18.2	81.8	78.1	21.9
1861-1865	5,949,582	122,989,000	29,747,913	614,944,000	35,401,972	45,772,000	177,009,862	228,861,000	14.4	85.6	72.9	27.1
1866-1870	6,270,086	129,614,000	31,350,430	648,071,000	43,051,583	55,663,000	215,257,914	278,313,000	12.7	87.3	70.0	30.0
1871-1875	5,591,014	115,577,000	27,955,068	577,083,000	63,317,014	81,864,000	316,585,069	409,322,000	8.1	91.9	58.6	41.4
1876-1880	5,543,110	114,586,000	27,715,550	572,931,000	78,775,602	101,851,000	393,878,009	509,256,000	6.6	93.4	53.0	47.0
1881-1885	4,794,755	99,116,000	23,973,773	495,582,000	92,003,944	118,955,000	460,019,722	594,773,000	5.0	95.0	45.5	54.5
1886	5,127,750	106,000,000	5,127,750	106,000,000	93,276,000	120,600,000	93,276,000	120,600,000	5.2	94.8	46.8	53.2
1887	5,093,984	105,302,000	5,093,984	105,302,000	96,189,000	124,366,000	96,189,000	124,366,000	5.0	95.0	45.9	54.1
1888	5,316,412	109,900,000	5,316,412	109,900,000	109,911,000	142,107,000	109,911,000	142,107,000	4.6	95.4	43.6	56.4
1889	5,746,950	118,800,000	5,746,950	118,800,000	125,830,000	162,690,000	125,830,000	162,690,000	4.4	95.6	42.2	57.8
1890	5,473,631	115,150,000	5,473,613	113,150,000	133,213,000	172,235,000	133,213,000	172,235,000	4.0	96.0	39.7	60.3
1891	5,830,107	120,519,000	5,830,107	120,519,000	144,426,000	186,733,000	144,426,000	186,733,000	3.9	96.1	39.2	60.8
1892	6,328,272	130,817,000	6,328,272	130,817,000	152,062,000	196,605,000	152,062,000	196,605,000	4.0	96.0	40.0	60.0
Total			397,191,823	8,204,303,000			7,522,507,716	9,726,072,000	5.0	95.0	45.8	54.2

END OF
TITLE